

FISCAL NOTE
HB 86 - SB 61
FIRST EXTRAORDINARY SESSION

April 13, 1999

SUMMARY OF BILL: Exempts food or food products for off-premises human consumption eligible to be purchased with food stamps from any vendor from sales tax. "Food or food product" means items which are eligible to be purchased with food stamps from vendors who are or could become eligible to participate in the food stamp program established by the Food Stamp Act of 1977.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$408,000,000 Recurring

Increase State Expenditures - \$82,000 One-Time

Decrease Local Govt. Revenues - Exceeds \$153,000,000 Recurring

Estimate assumes:

- food and food product sales will exceed \$6,811,000,000.
- a sales tax rate of 8.25%, of which 6.00% is the state portion and 2.25% is the local portion.
- a one-time increase in state expenditures of \$82,000 for MIS system implementation.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director